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SIPDIS

USDOC FOR 532/OEA/LHINES/DFARROW
USDOC FOR 3132 FOR FCS/OIO REGIONAL DIRECTOR WILLIAM
ZARIT
BICE FOR OFFICE OF STRATEGIC INVESTIGATIONS

SIPDIS

E.O. 12958: N/A
TAGS: [BMGT](#) [BEXP](#) [HK](#) [ETRD](#) [ETTC](#)
SUBJECT: EXTRANCHECK: POST SHIPMENT VERIFICATION:
VICKERS SYSTEMS LTD
REF: A) USDOC 06874

1.Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

¶2. As per reftel A request and at the direction of the Office of Enforcement Analysis (OEA) of the USDOC Bureau of Industry and Security (BIS), Export Control Officer Philip Ankel (ECO) and Assistant Director for Operations, John Sonderman, conducted a post shipment verification (PSV) at Vickers Systems Ltd., Units 18-30, 19F Corporation Park, 11 On Lai St. Shatin, Hong Kong (Vickers). The items in question are 246 hydraulic valves valued at USD 7,307. No export control classification number (ECCN) was included on the relevant shipping documents. The exporter is Eaton Corporation of Pharr, Texas.

¶3. According to the Hong Kong Companies Registry, Vickers Systems Limited has been in existence since ¶1983. A review of the relevant website (www.eaton.com) indicates that the company is an affiliate of Eaton Corporation (the exporter). Its business is importation and exportation of various hoses, pumps, valves and related items. It handles various brands including Vickers, Orbit, Eaton, Aeroquip and others.

¶3. The ECO and A/D Sonderman visited Vickers at the address referenced above on January 19, 2007 and met with Mr. T.T. Kuan, Business Manager and Mr. Lawrence Chiu, Distribution Centre Manager. They provided background on Vickers and its business, which involves the distribution of Eaton and other brand hoses, hose fittings, hydraulic systems and related components to Hong Kong, mainland China, Taiwan and the region.

¶4. Ms. Chiu provided by attachment to separate e-mail, shipping and order documentation accounting for all 246 valves that are the subject of this PSV. The six customers for these valves appear to be industrial companies in Hong Kong and mainland China (this is based on a web site review of the customer names).

¶5. Messrs. Chiu and Kuan were only somewhat familiar with U.S. export control regulations but stated that the parent company (Eaton in the U.S.) assists Vickers in this respect. The ECO provided background information on reexport controls.

¶6. At the time visited, Vickers appeared to be a suitable recipient of the valves since Vickers cooperated with the PSV and provided all requested information concerning the final disposition of the items. At the same time, the ECO was not able to inspect the subject items as they had already been delivered to the customers of Vickers. Consistent with guidance on reporting of PSVs where the items cannot be physically inspected, the ECO recommends that this PSV be classified as Limited.
Cunningham